Secret. II-37—100,000—21-6-52.

Finance (1954) Department.

M5 SERIES.

G.O. No. 608

Dated 18-6-49

[Despatch Abstract.]

SCHEMES OF NEW EXPENDITURE : PRIORITY TO BE GIVEN TO SCHEMES FOR THE BENEFIT OF RURAL POPULATION: PAPERS RECOCRDED.

FINANCE DEPARTMENT.

U.O. Note No. 57637-BG-3 dated the 18th June 1948.

Sub: ALLOTMENT OF EXPENDITURE in respect of Rural population and people in Urban areas.
Ref: 1. U.O. Note No. 57637-BG-1 dated 5th October 1947
2. U.O. Note No. 57637-BG-2 dated 5th October 1947.

In the U.O. note first cited, Departments of the Secretariat were requested to furnish figures of budget allotment and actual expenditure in respect of rural population and people in urban areas for the years 1945-46, 1946-47 and 1947-48, as the Honourable Primier required the information. Complete replies have not yet been received from some departments. It has now been decided that further attempts to analyse the figures need not be pursued.

2. It was suggested, in this connection, that one way of giving greater prominence to ~~rual~~ rural areas would be to give larger percentage of grants to Panchayats and District Boards, than to Municipalities, in connection with water-supply, drainage education, medical relief, roads, etc., schemes and that the concerned departments might be asked to examine this suggestion, without, however, increasing the total expenditure to Government by way of grants to Municipalities and other local bodies put together. The Honourable Minister for Finance agreed. The Honourable Premier has recorded the following minute:- "A"

> "Rural population hitherto has been neglected Though we are collecting education cess and road cess, we are not providing them with roads, drinking water facilities, education and other civil amenities as in the case of towns and cities. "A" may be done.
>
> O.P.R./11-6-1948."

Departments of the Secretariat are requested to take action accordingly.

3. All Departments of the Secretariat are also requested to bear in mind the need for giving priority to schemes intended for the benefit of the rural population in framing their proposals for Part II of the Budget for 1949-50. A similar request in connection with the Budget for 1948-49 was made in the Finance U.O. note second cited.

xx xx
Secretary to Government.

To the Departments of the Secretariat (including Finance).

Note

FINANCE DEPARTMENT.

In September 1947, the Honourable the Premier desired that figures should be collected firstly for the year 1947-48 and then for the two previous years to show the relative amounts spent on

(1) the Rural Population; and

(2) the People in Urban Areas

It was then pointed out by the Finance Department that under the system of budgetting in force, it was not possible to collect the figures from the budget estimates showing the relative amounts allotted and spent on the Rural Population and the people in Urban areas, except in cases where provision has been made specifically for the benefit of the Rural Population. A statement was then submitted showing the amounts specifically spent or allotted during the three years 1945-46, 1946-47 and 1947-48 for the benefit of the Rural Population under the various Heads of Account - vide flag (A). According to this rough statement, the total provision made in the Budget Estimate for 1947-48, specfically for the benefit of the Rural Population amounted to about Rs. 915 lakhs. This work out to a little less than 1/5th of the total budgetted expenditure on Revenue Account for the year (Rs. 4,993 lakhs). This statement did not include the expenditure incurred in respect of the Rural Areas on Education, Medical Relief, Public Health, etc., as it was not possible to allocate the expenditure between the Rural and Urban Areas from the information available in the Finance Department. Departments of the Secretariat were asked to furnish in consultation with the Heads of Departments concerned, information as to the amounts allotted and the amounts spent in 1947-48 and during the two previous years on the Rural and Urban population under the various Heads of Account.

2. Most of the Heads of Departments concerned and the Departments of the Secretariat have not yet been able to furnish the figures called for. This is due to the difficulty in allocating the total expenditure as recorded in the Accounts between Rural and Urban population. In respect of the few heads of accounts for which figures have been received, it is seen that

P.T.O.

against a total expenditure (according to the Revised Estimate for 1947-48) of Rs. 2,150 lakhs, it has been found possible to allocate only an expenditure of Rs. 455 lakhs between "Rural" and "Urban" and that the amount allocated to "Rural" is about Rs. 400 lakhs. In these circumstances, it does not seem practicable to pursue further this kind of analysis of the figures of expenditure.

3. It is also submitted that Part I of the Budget of each year will relate to the standing sanctions and that as such it will not be possible to vary it to any degree in order to benefit the rural areas more than the urban areas. It is really in regard to the new schemes of expenditure brought forward and sanctioned during the year that the Government's desire to do more for the rural population can be translated into practice. In fact, instructions were issued to all the Heads of Departments last year that in proposing Part II Schemes for 1948-49 they should bear in mind the need for giving priority to the schemes intended for the benefit of the village population. As a consequence, it may be taken that in the budget for 1948-49 larger provision has been made for the benefit of the rural areas than before. This policy can be implemented further in connection with the Part II Schemes for 1949-50 and instructions in this regard will be issued in due course to all the Departments of the Secretariat.

4. In the circumstances, orders may now be taken in circulation whether this file may now be closed.

xx
Asst.Secy/ 20.5.48.

The figures tabulated at A show the results of the attempts so far made to allocate the expenditure into "rural" and "urban" in some departments where such allocation is possible. A very substantial portion of the expenditure, e.g. the entire expenditure on headquarters staff - cannot be so allocated, though a good deal of time of the superior officers (including for that matter officers in the Secretariat) must be taken up with questions relating to rual areas. I submit that further attempts to analyse the figures need not be pursued. The statement at I shows "C"

~~ex~~ expenditure which may be regarded as purely "rural."

"B" Honourable ~~Ministers~~ Premier's instructions will be brought to notice when Part II schemes for 1949-50 are considered. It may be noticed that most of the Post War Reconstruction schemes including Grow More Food Schemes and expenditure on roads etc., will to an ever increasing extent benefit rural population.

"A" One way of giving greater prominence to rual areas will be to give larger percentage of grants to Panchayats and District Boards than to municipalities in connection with water-supply, drainage, education, medical relief, roads, etc., schemes. If approved the concerned departments may be asked to examine this suggestion without however increasing the total expenditure to Government by way of grants to municipalities and other local bodies put together.

XX
Secy./21-5-48.

H.M.(Fin) (B.Gopala) Reddy).
25-5-1948.

H.Pr. "Rural population hitherto has been neglected. Though we are collecting education cess and road cess, but we are not providing them with roads, drinking water facilities, education and other civil amenities as in the case of towns and cities. "A" may be done.

O.P.R(amaswamy Reddiar).
11-6-1948."

A draft u.o. note to Departments of the Secretariat is submitted for approval.

After issue of the u.o. note, the papers may be

R E C O R D E D.

G.O. (Ms) No. 608 Finance dated 18th June 1948.

XX
Assty.Secy.
18.6.48

XX XX
Secy./18-6-'48.

Abstract:

SCHEMES OF NEW EXPENDITURE - Priority to be given to schemes for the benefit of rural population ; Papers recorded.

STATEMENT SHOWING THE PROVISION MADE UNDER THE VARIOUS HEADS OF ACCOUNT FOR THE BENEFIT OF THE RURAL POPULATION.

Reference to page - Budget for 1947-48.	Serial Number.	Head of Account	Actuals 1945-46	Revised Estimate 1946-47	Budget Estimate 1947-48.
-1-	-2-	-3-	-4-	-5-	-6-
			(Rs in lakhs)	(Rs in lakhs)	Rs lakhs)
5	1	7.b.A.Maintenance of Ryotwari surveys.	4.01	4.22	4.40
21	2	10.b.I.B.Forest Reservation (Including Village Forests-Works)	37	88.73	1.48
33	3	-do- Establishments	22	145	43
55	4	rigation - Expenditure ..rigation.	153.65	191.34	44.84
12	5	25.B.Ryotwari Village Service	182.49	181.69	92.77
122	6	25.u.c.Proprietary Estates - do-	40.16	45.21	49.35
128	7	25.w.C.Rural recreation scheme	.73	14.42	8.31
129	8	25.w.F.Subsidy to ryots for reclamation of lands in C.M.P. and other areas	.58		
129		25.w.G.Grant for sinking of wells for GMF schemes	49*	338.72*	78.38*
132	10	25.w.I.Expenditure from rural Reconstruction grants	.31	.12	07
162	11 29	e.Village Police (Police Talayaris)	.14	116 .16	.14
191	12	37.1.B.Grants to local bodies for primary education - Panchayats.	6.44	8.00	8.36
228	13	37.r.A.(i)7.Grants to Panchayats for Public Libraries.	.44	.55	40
252	14	38.b.H.Subsidies to Medical Practitioners and midwives for the maintenance of rural dispensaries.	3.36	3.27	3.71
273	15	39.a.E.Rural Sanitation	.79	89	91
	15(a)	Compaign.			
286 & 287		39.f.& g.Rural water supply.	19.12 @	23.90	3.96
303	16	40.d.I (i) 3.Purchase & distribution of seeds, manures etc	0.35	10.34	10.34
"	17	40.d.I (i)4.Experimental cultivation.	3.32	48.01	33.71
"	18	40.d.I (i)6.Purchase and distribution of manure and seeds to poor ryots.	2.44	7.32	45
"	19	40.d.I.(i) 7.Bonus for growing good crops in lieu of cotton.	.97	.60	.60
304	20	40.d.I.(i)9.Reclamation of lands in CMP area.	.26	.23	.23
305	21	40.d.(I)(i) ii.Grant of bonus to ryots for cultivation of short term crops in March and April 1946		49.94	

@ Of this, a sum of Rs. 18.55 lakhs was met from the Fund for development of rural water supply since abolished.

* A portion of this may relate to urban areas, but separate figures are not available for urban and rural areas.

-1-	-2-	-3-	-4-	-4-	-5-	-6-
324	22	40.d.(I)(i) 11.Grant of bonus to ryots for cultivation of short term crops in March and April 1946	..	49.94	..
305	21	40.J.Special Rural uplift schemes.	.24	.47	5.22
360	23	43.B.Cottage Industries.	3.07	5.11	5.22
405	24	43.e.S.(1) Rural Fishery demonstration.	..	.53	.59
412	25	43.e.V.Rural Fishery Demonstration farms in Salem district.	..	.01	.04
452	26	50.g.E.Grants to local bodies for village communications.	2.84	3.60	3.60
453	27	50.g.H.Grants to local bodies for village roads (P.W.R. Scheme)	.. (separate figures not available).		
			410.79	729.83	575.09
ADD amount alloted from the Village Reconstruction and Harijan Uplift Fund.			..	60.00	340.00
		Grand Total.	410.79	789.83	915.09
Total expenditure on revenue account in the Province.			*3067.74	5997.13	4972.81

* Excludes transfer to Revenue Reserve Fund of Rs. 1731 lakhs.

Statement showing the allocation of expenditure in the three years 1945-46, 1946-47 and 1947-48 between (i) expenditure in respect of rural population and (ii) expenditure in respect of urban population.

Major Heads.		Amount of Budget provision	Amount analysed			Amount of actual expenditure.		Amount analysed.			
			Rural	Urban	Total Rural and Urban.			Rural	Urban	Total Rural and Urban	
-1-		-2-	-3-	-4-	-5-	-6-		-7-	-8-	-9-	
		Rs	Rs	Rs	Rs	Rs		Rs	Rs	Rs	
1. Forest.	1945-46	67,55,900	52,500	--	52,500	76,99,635		50,266		50,266	
	1946-47	81,11,500	59,800	--	59,800	80,35,808		56,519		56,519	
	1947-48	78,21,100	82,500	--	82,500	88,05,400	(RE)	80,000		80,000	
25 Genera-	1945-46	327,27,600	5,12,786	246714	759500	42723954		530,777	2,90,276	8,21,05	
l Admini-	1946-47	45450100	1711985	418915	2130900	61411431		789794	5,78,42	13,68,22	
stration	1947-48	59216100	9579172	690828	10270300	71268200	R.E.	3002033	476471	3478504	
38. Medical	1945-46	15017600		334300	334300	17999980	R.E	32	329940	3,29,940	
	946-47	1,89,63200		4,01,700	4,01,700	2,15,98,07			3,79,548	3,79,548	
	947-48	2,17,45,100		4,33,200	4,33,200	2,34,54,20	RE	- Figures not allocated.			
39. Public	1945-46	46,92,400	1967800	5,80,500	2548300	54,48,42		9,31,392	3,23,262	2,54,654	
Health	1946-47	1,11,66800	29,96,100	6,13,300	3609400	8736408		3267600	3,69,230	6,95,830	
	1947-48	90,96,800	34,66,100	1526200	4992300	1,91,60,750		523,600	12,57,563	5,81,163	
40 Agricul-	1945-46	62,19,700	62,,19,700		6219700	74,05,74		4,05,742	-	4,05,742	
ture	1946-47	1,69,34,100	82,99,400		82,99,400	1,90,67,19		1080533	87,186	1,90,67,719	
	1947-48	1,16,86,500	1,16,86,500	-	116,86,500	2,18,44,00		2221020	23,680	2,18,44,700	
41. Veteri-	1945-46	22,54,700	15,09,475	745225	22,54,700	23,63,954		108,414	3,48,672	3,57,086	
nary.	1946-47	31,27,700	20,68,875	1058825	31,27,700	26,95,156		110,025	9,79,131	33,07,500	2695156
	1947-48	30.99,700	20,18,200	1081500	30,99,700	33,07,500	RF	100,800	12,06,700	33,07,500	
42. Co-opera-	1945-46	23,44,300	allocation not given			30,93,156		461,772	10,31,384	30,93,156	
tion.	1946-47	53,76,400	50,500	4,67,700	518,200	44,33,238		146,184	18,87,054	44,33,238	
	1947-48	61,70,700	22,700	27.00.000	27.22700	45,66,900	RE	410.469	19,56,431		

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
	Rs-	Rs-	Rs	Rs	Rs	Rs	Rs	Rs-
43.Industries								
1945-46	75,33,300	3,10,700	2,24,200	5,34,900	72,48,695	4,19,526	3,18,966	7,38,492
1946-47	132,60,700	33,56,642	10,27,200	43,83,842	97,77,698	9,83,521	11,20,094	21,03,615
1947-48	117,72,400	Figuresfurnishedare incomplete and not correct.			129,07,800	RE 3882,402	1,53,760	40,36,16:
47.Miscellaneous Departments 1945-46	59,85,500	30,86,000	1,40,100	32,26,100	71,92,883	32,33,751	1,36,929	33,70,680
1946-47	94,99,700	38,17,950	1,58,050	39,76,000	87,49,317	40,46,954	1,90,038	42,36,992
1947-48	96,35,800	43,43,450	2,12,750	45,56,200	131,58,100	RE 47,72,650	2,66,050	50,38,700
50Civil Works 1945-46	2,03,34,700				281,64,450	-	-	-
1946-47	6,24,47,200	1,34,800	-	1,34,800	391,20,500	1,13,173	-	1,13,173
1947-48	6,47,02,600	14,20,500	4,69,500	18,90,000	599,96,300	3,74,500	1,58,000	5,32,500

/True copy/

Superintendent,
Madras Records Office, Egmore

Sk.

Byvp
25/6.